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Annexure 5: Basel III Pillar 3 Disclosures

1. Scope of Application

The Catholic Syrian Bank Ltd is a commercial bank formed on 26th November 1920 with Registered Office at Thrissur. In August 1969, the Bank was included in the Second Schedule to the Reserve Bank of India Act 1934.The bank has no subsidiaries.

2. Capital Structure

Qualitative Disclosures:

Bank's capital structure consists of Tier 1 and Tier 2 capital. The major components of Tier 1 capital are equity share capital, equity share premium, statutory reserves, general reserves, special reserve (Section 36(i)(viii) of Income Tax Act) and capital reserves (other than revaluation reserves). Tier 2 capital consists of subordinated debt (Lower Tier 2), revaluation reserves and provision for standard assets. Bank has not issued any Upper Tier 2 bonds or perpetual debt or other innovative instruments.

Quantitative Disclosures:

The breakup of capital funds is as follows:

(₹million)

	As on 30.06.2017	As on 31.03.2017
Tier 1 Capital		
Paid up Share capital	810.14	810.14
Share Premium	6,475.08	6,475.08
Statutory Reserves	1,467.56	1,467.56
Capital Reserves	717.31	717.31
Special Reserve (36 (i) (viii))	237.62	237.62
Other eligible reserves	866.68	836.97
Revaluation Reserves after discounting	737.81	737.81
Total Tier 1 Capital (Gross)	11,312.70	11,282.49
Add: Credit balance in Profit and Loss account	(2,331.47)	(2,190.70)
Less Deferred Tax Assets and Other Intangible Assets	1217.83	1124.27
Less unamortised portion of fraud	41.97	-
Total Tier 1 Capital (Net) [A]	**7,721.44**	**7,967.52**
Tier 2 Capital		
Subordinated debt (eligible for inclusion in Lower Tier 2 capital)	83.60	83.60
(Of which amount raised during the current year)		
Less Discount	-	-
Subordinated debt eligible to be reckoned as capital funds	83.60	83.60
Revaluation Reserves after discounting		
Provision for Standard Assets	349.51	346.37
Investment Reserve		
Less reciprocal cross holding	10.00	10.00

Total Tier 2 Capital (Net) [B]	**423.11**	**419.97**
Total Eligible capital [A] + [B]	**8144.55**	**8,387.49**

3. Capital Adequacy

Qualitative Disclosures:

In accordance with the guidelines of RBI, the bank has adopted standardized approach for credit risk, basic indicator approach for operational risk and standardized duration approach for market risk for computing capital adequacy. Basel III Capital regulations are applicable to Banks in India from 1st April, 2013 and will be fully phased in by 31st March, 2019. Detailed guidelines on Basel III Capital Regulations and Guidelines on Composition of Capital Disclosure Requirements are issued by RBI and consolidated under the Master Circular – Basel III Capital Regulations July 2015.

The transitional arrangements for minimum Basel III capital ratios are given below.

Transitional Arrangements-Scheduled Commercial Banks (excluding LABs and RRBs)

(% of RWAs)

Minimum capital ratios	April 1, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Minimum Common Equity Tier 1 (CET1)	4.5	5	5.5	5.5	5.5	5.5	5.5
Capital conservation buffer (CCB)	-	-	-	0.625	1.25	1.875	2.5
Minimum CET1+ CCB	4.5	5	5.5	6.125	6.75	7.375	8
Minimum Tier 1 capital	6	6.5	7	7	7	7	7
Minimum Total Capital*	9	9	9	9	9	9	9
Minimum Total Capital +CCB	9	9	9	9.625	10.25	10.875	11.5
Phase-in of all deductions from CET1 (in %) #	20	40	60	80	100	100	100

* The difference between the minimum total capital requirement of 9% and the Tier 1 requirement can be met with Tier 2 and higher forms of capital;

The same transition approach will apply to deductions from Additional Tier 1 and Tier 2 capital.

Regulatory Capital Adequacy position (as per Basel II & Basel III norms as made applicable by RBI) is assessed periodically. Besides, the bank also assessed its own internal estimate of risk capital based on its Board approved ICAAP policy and Stress Testing Policy to cover the Pillar 2 risks. Risks are assumed in line with the Bank's risk bearing capacity and capability in order to generate yields, taking risk-return frontier into account. This aims to ensure that risks that could jeopardize the Bank's existence are avoided.

Quantitative Disclosures:

a) Capital Requirement for Credit Risk – Standardised Approach

(₹ Million)

Portfolios	Gross Exposure (Rs Mio)	Gross Exposure (Rs Mio)	Capital Requirement (Rs Mio)	Capital Requirement (Rs Mio)
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
On Balance Sheet				
Cash & Balance with RBI	7252.07	7563.86	0.00	0.00
Inter Bank Deposits	856.89	767.64	20.49	18.98
Investments (HTM)	30652.81	33732.16	64.35	55.76
Advances	80896.53	78696.58	4232.39	4135.37
Fixed Assets & Other Assets	12079.00	11316.36	437.09	431.43
Total	**131737.30**	**132076.61**	**4754.32**	**4641.54**
Off Balance Sheet				
Letter of Credit & Guarantees	3703.09	3127.47	97.74	75.96
Undrawn Credit Commitments	8606.83	8246.31	140.53	141.03
Forward Exchange Contracts	4439.06	3654.83	5.30	3.05
Total	**16748.98**	**15028.61**	**243.56**	**220.04**
Total On & Off Balance Sheet	**148486.27**	**147105.21**	**4997.89**	**4861.57**

b) Capital Requirement for Market Risk – Standardised Duration Approach

(₹ Million)

Type of Market Risk	Gross Exposure	Gross Exposure	Capital Requirement	Capital Requirement
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
Interest Rate Risk	29637.27	30600.63	772.01	543.95
Foreign Exchange Risk	120.00	138.65	10.80	12.48
Equity Risk	24.96	25.55	6.74	6.90
Total	**29782.22**	**30764.84**	**789.55**	**563.33**

c) Capital Requirement for Operational Risk – Basic Indicator Approach

(₹Million)

	As on 30.06.2017
Capital Requirement	638.44
Equivalent Risk Weighted Assets	7980.46

d) Total Capital Requirement

(₹ Million)

Type of Risk	Capital Requirement	Capital Requirement	Risk Weighted Assets	Risk Weighted Assets
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
Credit Risk	4997.89	4861.57	55532.06	54017.48
Market Risk	789.55	563.33	9869.40	7041.64
Operational Risk	638.44	638.44	7980.46	7980.46
Total	**6425.87**	**6063.34**	**73381.92**	**69039.59**
Total Net Tier 1 Capital			7721.44	7967.52
Tier 1 Capital Ratio			10.52%	11.54%
Tier 2 Capital Ratio			0.58%	0.61%
Total CRAR			**11.10%**	**12.15%**

4. Credit Risk: General Disclosure

Qualitative Disclosures

a) Definition of past due and impaired loans

Bank strictly adheres to RBI norms regarding definitions of past due and impaired loans, as under (in brief):

i) interest and or installment of principal remain overdue for a period of more than 90 days in respect of term loan accounts

ii) the account remains 'out of order' (the outstanding balance remains continuously in excess of the sanctioned limit/drawing power, in cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period) in respect of Overdraft/Cash credit accounts. If the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as NPA.

iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted

iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.

v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

b) Credit Risk Management Policy

The bank has in place a Credit Risk Management Policy which is reviewed periodically to bring in refinements triggered by evolving concepts and actual experience.

The Executive level committee – Credit Risk Management Committee (CRMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of credit risk in the bank. Credit Risk Management Department and Credit Monitoring Department at Head Office level act as the secretariat of CRMC.

Credit approvals are subject to a well-established and time tested system of competencies, which act as a framework within which decision making individuals or committees are authorised to enter into lending transactions. Responsibility for the approval of loans is dependent on size, security and type of the loan.

Credit rating system is in force using various CRA formats, developed by the Bank to measure the risk involved in each borrowal account. All borrowers with an aggregate credit limit of ₹ 25 lakh and above are subjected to borrower rating. Gold loans, Loans against Deposit Receipts, Housing Loans, Loans against NSC & Insurance policies and staff loans are subjected to portfolio rating. Limits above ₹ 2 crore are subject to Facility Rating in addition to borrower rating.

Operations in all credit exposures of ₹ 50 lakh and above are monitored on a monthly basis by Credit Monitoring department to detect delinquency signals at an early date and nurse the account.

Rating migration studies are conducted at regular intervals.

Pricing of corporate exposures is subjected to RAROC analysis based on bank's Board approved Risk Adjusted Return On Capital (RAROC) policy.

Both regulatory capital and economic capital requirements are assessed at the time of credit appraisal of corporate exposures.

Quantitative Disclosures

a) Gross Credit Risk Exposure – Banking Book

(₹ Million)

	Loans	Loans	Investments	Investments
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
Fund Based	80896.53	78696.58	30652.81	33732.16
Non Fund Based	3703.09	3127.47	0.00	0.00
Total	**84599.62**	**81824.05**	**30652.81**	**33732.16**

b) Industry type distribution – Banking Book
(₹ Million)

	Advances,Letter of Credit & Guarantees		Investments	
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
Central Government			25900.40	27767.49
State Governments			4452.32	5664.53
Public Sector	156.15	408.83	300.09	300.14
Manufacturing Industries	-	-		
a) Cotton Textiles	6205.10	5768.07		
b) Other Textiles	1121.76	1235.12		
c) Chemicals	1540.63	1551.60		
d) All Engineering	739.17	781.98		
e) Food Processing	3530.63	2653.88		
f) Other Industries	1266.60	4666.40		
	-	-		
Agriculture	14009.66	12170.35		
Residential Mortgage	3275.31	3347.28		
Commercial Real Estate	3115.60	3171.02		
Consumer Credit	14584.28	14139.97		
Students	1526.53	1625.71		
Wholesale & Retail Trade	9649.47	10459.58		
Banks	-	-		
RIDF, RHF, MSME Fund	-	-		-
NBFCs	2169.18	1031.97		
Own Staff	1759.53	1801.13		
All Others	19950.03	17011.16		
	84,599.62	**81,824.05**	**30,652.81**	**33,732.16**

c) Residual contractual maturity breakdown of assets

(₹ Million)

	Cash &balance with Rbi	Balance with Banks and money at call and short notice	Advances	Investments	Fixed assets and other assets
Next Day	1266.97	356.19	36.53	1000.00	0.00
2-7 days	0.00	0.00	528.63	2018.35	9.67
8-14 days	0.00	0.00	789.10	2381.06	29.57
15-30 days	266.32	0.00	4661.10	726.90	170.84
31days-<2M	71.43	0.00	3537.31	4514.70	90.08
2M<3M	92.29	500.00	3715.98	8921.63	531.10
3M-<6M	329.26	0.00	7261.56	4543.57	731.84
6M-<1Y	214.80	0.00	14885.88	4957.50	726.62

1-<3Y	1705.25	0.70	31606.42	100.30	934.09
3-<5 Y	244.09	0.00	10030.82	150.00	1785.27
> 5 Yr	3061.68	0.00	6834.49	27747.92	7069.92
Total	**7252.09**	**856.89**	**83887.82**	**57061.94**	**12079.00**

d) Disclosures regarding Non Performing Assets

(₹ Million)

	As on 30.06.2017	As on 31.03.2017
Amount of NPAs (Gross)		
Substandard	2288.95	2222.59
Doubtful 1	1318.51	1476.28
Doubtful 2	2229.54	1871.46
Doubtful 3	373.57	357.88
Loss	72.04	72.78
Total Gross NPAs	6282.60	6000.99
Net NPAs	4492.58	4476.37
NPA Ratios		
Gross NPAs to Gross Advances	7.33%	7.25%
Net NPAs to Net Advances	5.36%	5.51%
Movement of provisions for NPAs		
Opening balance	1486.97	981.31
Provisions made during the period	277.32	1891.62
Write-off	0.00	1357.91
Write back of excess provisions	8.80	28.05
Closing balance	1755.49	1486.97
Write-offs that have been booked directly to the income statement	15.98	35.15
Recoveries that have been booked directly to the income statement	170.35	411.84

Major Industry breakup of NPA

	30.06.2017		31.03.2017	
Industry	Gross NPA	Specific Provision	Gross NPA	Specific Provision
NPA in top 5 Industries	1408.54	353.82	1502.68	320.59

Geography	30.06.2017		31.03.2017	
	Gross NPA	Specific Provision	Gross NPA	Specific Provision
Domestic	6282.60	1755.49	6000.99	1486.97
Overseas	0	0	0	0

Amount of Non-Performing Investments		18.20
Amount of provisions held for non performing investments		13.10
Movement of provisions for depreciation on investments		
Opening balance		323.80
Provisions made during the period		0
Write-off & Write back of excess provisions/diminution		167.86
Closing balance		155.94

5. Credit Risk: Disclosures for portfolios subject to standardised approach

Qualitative Disclosures

In accordance with RBI guidelines, the bank has adopted standardised approach for computation of capital for credit risk.

Bank Loan Ratings of CRISIL, CARE, ICRA and India Ratings are considered for arriving at the capital requirement.

Bank extends external rating of other issues of the borrower to unrated claims only when the issue specific rating maps to Risk Weight higher than that of the unrated exposure.

Quantitative Disclosures

Risk weight wise classification of exposures

(₹ Million)

	Gross Credit Exposure	Gross Credit Exposure	Capital Deductions	Capital Deductions	Exposure after Capital Deductions	Exposure after Capital Deductions
	(A)	(A)	(B)	(B)	(C) = (A) – (B)	(C) = (A) – (B)
	30.06.2017	31.03.2017	30.06.2017	31.03.2017	30.06.2017	31.03.2017
Advances, Letter of Credit & Guarantees						

Below 100% risk weight	47119.17	43710.09	0.00	0.00	47119.17	43710.09
100% risk weight	20113.90	19135.96	0.00	0.00	20113.90	19135.96
More than 100% risk weight	16851.04	18978.00	0.00	0.00	16851.04	18978.00
Total	84084.11	81824.05	0.00	0.00	84084.11	81824.05
Investments						
Below 100% risk weight	30652.81	33732.16	0.00	0.00	30652.81	33732.16
100% risk weight			0.00	0.00		-
More than 100% risk weight	-	-	0.00	0.00	-	-
Total	**30652.81**	**33732.16**	**0.00**	**0.00**	**30652.81**	**33732.16**

6. Credit Risk Mitigation: Disclosures for standardised approaches

Qualitative Disclosures

A Credit Risk Mitigation and Collateral Management Policy, addressing the Bank's approach towards the credit risk mitigants used for capital calculation is in place.

Following items are considered for on and off balance sheet netting:
a) Deposits with specific lien to the facility
b) Subsidies received (for priority sector advances)
c) Claims received (for NPA accounts)

Of the eligible financial collaterals, the types of collateral taken by the bank are gold ornaments and bank's own deposit receipts. Gold ornaments are accepted as collateral by branches after due scrutiny and are marked to market value on a daily basis. Bank has made an assessment of market liquidity risk involved in liquidating gold ornaments and is considering a holding period of 21 days for advance against pledge of gold ornaments. In Pillar 1 capital adequacy computations, bank considers a haircut of 22% (after scaling up the standard supervisory haircut of 15% to a 21 day holding period). In addition to this, bank is maintaining extra capital for its gold loan portfolio in Pillar 2 capital computations.

The types of guarantees recognized for credit risk mitigation are guarantee by central government, state government, ECGC and banks (in the form of bills purchased/discounted under Letter of credit).

Collaterals other than financial collaterals that secure the credit portfolio of the bank are land & building, plant & machinery and current assets of the counter party. Land and Building includes commercial building, residential property and vacant land.

Quantitative Disclosures

a) Exposures Covered by Eligible Financial Collateral (After Haircuts)

(₹ Million)

	30.06.2017	31.03.2017

Corporate	86.03	248.54
Regulatory Retail	13097.46	12392.48
Personal Loans	9961.62	9475.71
Total	**23145.11**	**22116.72**

b) Exposures Covered by Guarantee

(₹Million)

Covered by Guarantee	30.06.2017	31.03.2017
Corporate	692.11	858.69
Regulatory Retail	3244.50	5041.24
Total	**3936.61**	**5899.93**

7. Securitization

No exposure of the bank has been securitized.

8. Market Risk in the Trading Book

Qualitative Exposures

Bank has put in place Board approved Market Risk Management Policy, Investment Policy and Foreign Exchange Policy for effective management of market risk of the bank.

Bank's Integrated Treasury manages the trading book. Proprietary trading is done in government securities, equity shares and foreign exchange. Adherence to limits is reported on a monthly basis to the Executive level Asset Liability Committee (ALCO) and Risk Management Committee (RMC) of the Board.

Modified Duration and Value at Risk (weighted historic simulation approach) are the tools used to track market risk in the trading book for interest rate related instruments. For equity exposures bank uses Value at Risk and Portfolio Beta.

Stress tests are conducted on a daily basis on securities in the trading book.

Portfolios covered by standardised approach are government securities, other trustee securities, Non SLR bonds & debentures, Certificate of Deposits and Equity Shares.

Quantitative Disclosures

Capital Requirement for Market Risk

(₹ Million)

Type of Market Risk	Gross Exposure (Rsmio)	Gross Exposure (Rsmio)	Capital Requirement (Rsmio)	Capital Requirement (Rsmio)
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
Interest Rate Risk	29637.27	30600.63	772.01	543.95
Foreign Exchange Risk	120.00	138.65	10.80	12.48
Equity Risk	24.96	25.55	6.74	6.90

Total	**29782.22**	**30764.84**	**789.55**	**563.33**

9. Operational Risk

Qualitative Disclosures

The Executive level committee - Operational Risk Management Committee (ORMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of operational risk in the bank. The bank has framed Operational Risk Management Policy duly approved by the Board. Other policies approved by the board that deal with the different facets of operational risk are Inspection Policy, Human Resource Management Policy, IT Policy, Compliance Policy, Business Continuity & Disaster Recovery Plan and Outsourcing policy.

Bank has obtained Bankers' Indemnity Policy to cover the risk of cash in transit and cash and securities including gold ornaments kept at branches. Risk Based Internal Audit (RBIA) is operational at all the branches.

Bank is adopting Basic Indicator Approach for arriving at capital charge for operational risk in compliance with RBI guidelines and is in the process of building database for moving to Advanced Approaches.

10. Interest Rate Risk in the Banking Book

Qualitative Disclosures

The Executive Level Committee - Asset Liability Committee (ALCO) has the overall responsibility of managing the interest rate risk in the banking book of the bank.ALCO fixes the deposit and lending rates of the bank and directs the investment activities of the bank in line with its interest rate view. Limits are fixed from both Earnings and Economic Value Perspective in board approved Market Risk Management Policy and adherence monitored on a monthly basis. Interest Rate Risk from Earnings Perspective is measured through Earnings at Risk (EaR) approach (which computes the impact on NII of various interest rate changes) on a monthly basis. Interest Rate Risk from Economic Value Perspective is measured using Modified Duration Gap Approach on a monthly basis.

The Risk Management Committee of the Board oversees the ALM process of the bank and reviews the decisions taken by the ALCO.

Key Assumptions for IRRB calculations

a) Bulk of the advance portfolio to re-price within 12 months.

b) Maturity of deposits considered after adjusting empirically observed premature closure rates.

c) Core portion of Savings Bank Deposits slotted in 7 to 10 year time bucket.

d) Core portion of Current Deposits slotted in Above 15 years-time bucket for Modified Duration Gap Analysis (For Earnings at Risk Analysis, Current Deposits are treated as interest non sensitive).

Quantitative Disclosures

Interest Rate Risk – Earnings Perspective

1 Year Change in Market Rates (Parallel Shift)	**Impact (₹Million) as on 30.06.2017**	**Impact (₹Million) as on 31.03.2017**
+200 basis points	-285.69	-280.54
-200 basis points	+285.69	+280.54

Interest Rate Risk – Economic Value Perspective

1 Year Change in Market Rates (Parallel Shift)	**Impact (₹Million) as on 30.06.2017**	**Impact (₹Million) as on 31.03.2017**
+200 basis points	-461.56	-37.50
-200 basis points	+461.56	+37.50

11. Counterparty Credit Risk

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before final settlement of the transaction's cash flows. An economic loss would occur if the transaction or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement in underlying market factors.

Capital is maintained on the exposure to CCR as per regulatory guidelines on Capital adequacy computation. The exposure is calculated using Current Exposure Method.

The MTM on client exposures are monitored periodically. The Bank does not recognize bilateral netting for capital computation.

(₹ Million)

	Notional Amount 30.06.2017	Credit Equivalent 30.06.20	Notional Amount 31.03.2017	Credit Equivalent 31.03.20

		17		17
Forward Exchange Contracts	4439.78	130.57	3655.31	109.21

Leverage Ratio frame work

Definition and minimum requirement

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage

Leverage Ratio =Capital Measure/ Exposure Measure

The public disclosure requirements of leverage ratio will begin from January 1, 2015 and the Basel Committee will monitor the impact of these disclosure requirements. Accordingly, banks operating in India are required to make disclosure of the leverage ratio and its components from April 1, 2015 on a quarterly basis and according to the disclosure templates as indicated in paragraph 16.7 along with Pillar 3 disclosures.

Table 1- Summary comparison of accounting assets Vs. leverage ratio exposure method

	Item	(Rs. in Million)
1	Total consolidated assets as per published financial statements	161137.66
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
4	Adjustments for derivative financial instruments	
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	4478.70
7	Other adjustments	
8	Leverage ratio exposure	165616.35

Table 2 – Leverage ratio common disclosure template

	Item	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	161137.66
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	161137.66
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	41.79
5	Add-on amounts for PFE associated with all derivatives transactions	88.78
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	**Total derivative exposures (sum of lines 4 to 10)**	130.57
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	CCR exposure for SFT assets	
15	Agent transaction exposures	
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	4348.12
18	(Adjustments for conversion to credit equivalent amounts)	
19	**Off-balance sheet items (sum of lines 17 and 18)**	4478.70
	Capital and total exposures	
20	Tier 1 capital	7721.37
21	Total exposures (sum of lines 3, 11, 16 and 19)	165616.35
	Leverage ratio	
22	Basel III leverage ratio	4.66%

Disclosure templates

The summary comparison table, common disclosure template and explanatory table, qualitative reconciliation and other requirements are as follows:

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)

			Amounts Subject to Pre-Basel III Treatment	Ref No
	Common Equity Tier 1 Capital: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	7285.23		a1+a2
2	Retained earnings	958.15		b1+b2+b3+b4+b6
3	Accumulated other comprehensive income (and other reserves)	737.81		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			
6	Common Equity Tier 1 capital before regulatory adjustments	8981.19		
	Common Equity Tier 1 Capital: regulatory adjustments			
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)			
9	Intangibles	154.77		e1-e2
10	Deferred tax assets	1105.05		e2
11	Cash-flow hedge reserve			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets	0.00		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)			
17	Reciprocal cross-holdings in common equity			
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)			
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)			
20	Mortgage servicing rights4 (amount above 10% threshold)			

21	Deferred tax assets arising from temporary differences5 (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold			
23	of which: significant investments in the common stock of financial entities			
24	of which: mortgage servicing rights			
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments7 (26a+26b+26c+26d)			
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries			
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries			
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank			
26d	of which: Unamortised pension funds expenditures			
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	Total regulatory adjustments to Common equity Tier 1	1259.82		
29	Common Equity Tier 1 capital (CET1)	7721.37		
	Additional Tier 1 capital: Instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)			
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)			
35	of which: instruments issued by subsidiaries subject to phase out			
36	Additional Tier 1 capital before regulatory adjustments	0		
	Additional Tier 1 capital:Regulatory Adjustments			
37	Investments in own Additional Tier 1 instruments	0		
38	Reciprocal cross-holdings in Additional Tier 1 instruments			

39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments (41a+41b)			
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries			
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions			
43	Total regulatory adjustments to Additional Tier 1 capital			
44	Additional Tier 1 capital (AT1)			
44a	Additional Tier 1 capital reckoned for capital adequacy			
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	7721.37		
	Tier 2 capital: Instruments & Provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
47	Directly issued capital instruments subject to phase out from Tier 2	83.60		d
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)			
49	of which: instruments issued by subsidiaries subject to phase out			
50	Provisions	349.51		c1+c3+c4
51	Tier 2 capital before regulatory adjustments	433.11		
	Tier 2 capital:Regulatory Adjustments			
52	Investments in own Tier 2 instruments			
53	Reciprocal cross-holdings in Tier 2 instruments	10.00		

54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
56	National specific regulatory adjustments (56a+56b)			
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries			
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]			
	of which: [INSERT TYPE OF ADJUSTMENT			
57	Total regulatory adjustments to Tier 2 capital	10.00		
58	Tier 2 capital (T2)	423.11		
58a	Tier 2 capital reckoned for capital adequacy	423.11		
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0		
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	423.11		
59	Total capital (TC = T1 + T2) (45 + 58c)	8144.48		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: …			
60	Total risk weighted assets (60a + 60b + 60c)	73381.93		
60a	of which: total credit risk weighted assets	55532.07		
60b	of which: total market risk weighted assets	9869.40		
60c	of which: total operational risk weighted assets	7980.46		
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.52%		
62	Tier 1 (as a percentage of risk weighted assets)	10.52%		
63	Total capital (as a percentage of risk weighted assets)	11.10%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.13%		
65	of which: capital conservation buffer requirement	0.63%		

66	of which: bank specific countercyclical buffer requirement	0		
67	of which: G-SIB buffer requirement	0		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	4.97%		
	Capital ratios			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities			
73	Significant investments in the common stock of financial entities			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	0.00		c3+c4
77	Cap on inclusion of provisions in Tier 2 under standardised approach	917.27		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements	512.46		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0		

Notes

Row No. of the template	Particular	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	0
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	1105.05
	Total as indicated in row 10	1105.05
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	NA
	of which: Increase in Common Equity Tier 1 capital	
	of which: Increase in Additional Tier 1 capital	
	of which: Increase in Tier 2 capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	NA
	(i) Increase in Common Equity Tier 1 capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	NA
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	349.51
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	349.51
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	0.00

Composition of Capital: Reconciliation Requirements Step 1 — Rs in million

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidatio
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i	Paid-up Capital	810.14	
	of which: Amount eligible for CET1	810.14	

	of which: Amount eligible for AT1	-	
	Reserves & Surplus	9072.82	
	Minority Interest	-	
	Total Capital	9882.96	
ii	Deposits	147057.78	
	of which: Deposits from banks	89.29	
	of which: Customer deposits	146968.48	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	418.00	
	of which: From RBI	-	
	of which: From banks	-	
	of which: From other institutions & agencies	-	
	of which: Others (pl. specify)	-	
	of which: Capital instruments	418.00	
iv	Other liabilities & provisions	3778.92	
	of which: DTLs related to goodwill	-	
	of which: DTLs related to intangible assets	-	
	Total Capital & Liabilities	161137.66	
B	Assets		
i	Cash and balances with Reserve Bank of India	7252.07	
	Balance with banks and money at call and short notice	856.89	
ii	Investments	57061.94	
	of which: Government securities	34556.65	
	of which: Other approved securities	-	
	of which: Shares	24.95	
	of which: Debentures & Bonds	2287.54	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	20192.80	
iii	Loans & Advances	83887.74	
	of which: Loans and advances to banks	-	
	of which: Loans and advances to customers	83887.74	
iv	Fixed assets	2135.16	
v	Other Assets	9943.87	
	of which: Goodwill and intangible assets	1259.82	
	Out of which:		
	Goodwill	-	
	Other intangibles (excluding MSRs)	1259.82	
	of which: Deferred tax assets	1105.05	
vi	Goodwill on consolidation	-	
vii	Debit balance in Profit & Loss account	-	
	Total Assets	161137.66	

Composition of Capital: Reconciliation Requirements Step 2 Rs in million

		Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidatio
		As on reporting date	As on reporting date
A	Capital & Liabilities		

i	Paid-up Capital	810.14	
	Reserves & Surplus	9072.82	
	of which:		
	Share premium	6,475.08	
	Statutory Reserves	1,467.56	
	Capital Reserves	717.31	
	General Reserves	866.68	
	Special Reserve (Tax): After Tax Portion	237.62	
	Special Reserve (Tax): Tax Element (not considered as part of capital funds)	-	
	Contingency Reserves	0.50	
	Add: Credit balance in Profit and Loss account	(2331.52)	
	Current Period profits not reckoned for capital adequacy purpose		
	Revaluation Reserve reckoned as Tier II Capital	737.81	
	Revaluation Reserve not reckoned as Tier II Capital (55% discount)	901.77	
	Investment Reserve		
	Minority Interest	-	
	Total Capital	9882.96	
ii	Deposits	147057.78	
	of which: Deposits from banks	89.29	
	of which: Customer deposits	146968.48	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	418.00	
	of which: From RBI	-	
	of which: From banks	-	
	of which: From other institutions & agencies	-	
	of which: Others (pl. specify)	-	
	of which: Capital instruments: Tier II Bonds	418.00	
	of which Eligible Amount after discounting	83.60	
iv	Other liabilities & provisions	3778.92	
	of which: Provision for Standard assets	-	
	Total Capital & Liabilities	161137.66	
B	Assets		
i	Cash and balances with Reserve Bank of India	7252.07	
	Balance with banks and money at call and short notice	856.89	
ii	Investments	57061.94	
	of which: Government securities	34556.65	
	of which: Other approved securities	-	
	of which: Shares	24.95	
	of which: Debentures & Bonds	2287.54	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	20192.80	
iii	Loans & Advances	83887.74	
	of which: Loans and advances to banks	-	
	of which: Loans and advances to customers	83887.74	
iv	Fixed assets	2135.16	
v	Other Assets	9943.87	
	of which: Goodwill and intangible assets	1259.82	
	Out of which:		
	Goodwill	-	
	Other intangibles (excluding MSRs)	1259.82	

	of which: Deferred tax assets	1105.05	
vi	Goodwill on consolidation	-	
vii	Debit balance in Profit & Loss account	-	
	Total Assets	161137.66	

Main Features of Regulatory Capital Instruments

1	Issuer	THE CATHOLIC SYRIAN BANK LTD.
2	Unique identifier (eg. CUSIP, ISIN or Bloomberg identifier for private placement)	INE679A08109
3	Governing Laws(s) of the instruments	Indian Law
	Regulatory treatment	
4	Transitional Basel III rules	Sub-ordinated Tier 2 Bonds
5	Post-transitional Basel III rules	Ineligible
6	Eligible at solo/group/group & solo	Solo
7	Instrument type	Tier 2 Debt Instrument
8	Amount recognized in regulatory capital (Rs. In million, as of most recent reporting date)	Rs. 83.60 Million
9	Par value of instrument	Rs. 1 Million
10	Accounting classification	Liability
11	Original date of issuance	31.03.2012
12	Perpetual or dated	Dated
13	Original Maturity date	31.03.2019
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	11.70% p.a.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA

30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument)	All depositors and other creditors
36	Non-complaint transitioned features	NO
37	If yes, specify non-complaint features	NA

Full Terms and Conditions of Regulatory Capital Instruments

Instruments	**Full Terms and Conditions**
Unsecured Redeemable Non-Convertible Subordinated Bonds in the nature of Debentures	INE679A08109 Issue Size: Rs. 4180 Million Date of Allotment: 31.03.2012 Date of Redemption:31.03.2019 Par Value: Rs. 1 Million Put and call option: None Rate of Interest and Frequency: @ 11.70 p.a. payable half early.